Shinhan Securities

MORNING CALL

14/05/2024

"Wait for the right opportunity"

- World stocks: High inflation expectations cause the market to decline
- Vietnamese stocks: Wait for the right opportunity
- Macro news
- Business news: #PTI, #SSI, #MWG, #APH, #HNA, #LTG, #APH, #NVL
- Technical perspective and updated recommendations
- Event calendar
- Q&A

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Catching the latest report

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Global Market Review 13/05 – 17/05/2024

Major stocks market

- In regular trading on Monday, the Dow and S&P 500 shed 0.21% and 0.02%, respectively, while the Nasdaq Composite rose 0.29%. The Dow also snapped an 8-day winning streak. A New York Federal Reserve report showed that consumers' inflation expectations over the short and long term increased in April, denting market sentiment. Investors now look ahead to PPI data on Tuesday and the CPI report on Wednesday for fresh insights on price trends. Markets also await retail sales figures and Fed Chair Jerome Powell's remarks on Tuesday.
- European equity markets closed slightly lower on Monday, with the Stoxx 50 and the Stoxx 600 dipping below the flatline as investors await key US inflation data, first-quarter GDP, and employment figures for the Euro Area set to be released this week
- The Nikkei 225 Index rose 0.4% to above 38,300 while the broader Topix Index gained 0.5% to 2,737 on Tuesday, erasing losses from the previous session as investors reacted to Japan's latest producer inflation report. Data showed that corporate inflation in the country was steady in April compared with a year earlier, but import prices jumped due to the yen's weakness
- Oil prices rose by more than 1% to settle at $79.12 per barrel on Monday, rebounding from the previous session's decline, buoyed by signs of improving demand in China, the world's top importer, and concerns over potential supply disruptions in Canada.

Market	Close	%1D	%1M	%1Y
VN-Index	1,240	-0.36%	-2.85%	16.24%
S&P 500 Index	5,221	-0.02%	1.91%	26.61%
Dow Jones Index	39,432	-0.21%	3.81%	18.41%
GP 100	8,415	-0.22%	5.25%	8.52%
Nikkei 225	38,336	0.41%	-3.00%	30.45%
SHCOMP Index	3,148	-0.21%	4.26%	-3.80%
STOXX 600	521	0.02%	3.09%	11.89%
KOSPI Index	2,726	-0.04%	1.65%	10.13%
Hang Seng	19,115	0.80%	14.31%	-2.61%

Commodity	Close	%1D	%1M	%1Y
Brent	84	0.17%	-7.68%	12.58%
WTI	79	0.16%	-7.48%	13.15%
Gasoline	252	0.23%	-10.23%	3.54%
Natural gas	2	-0.42%	33.95%	4.63%
Coal	142	-1.59%	9.94%	-13.83%
Gold	2,339	0.13%	-1.85%	16.01%
China HRC	3,806	-0.03%	1.04%	0.29%
Steel rebar	3,505	0.55%	1.86%	1.77%
BDI index	2,066	-2.96%	19.49%	32.61%

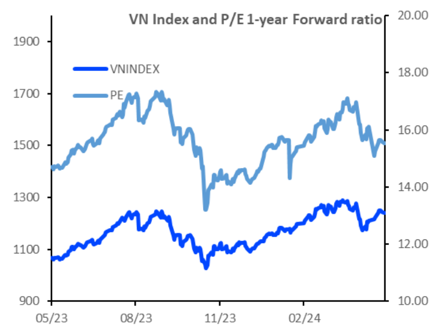
Currency	Close	%1D	%1M	%1Y
Dollar Index	105	0.03%	-0.74%	2.50%
USD/VND	25,453	0.00%	-1.09%	-7.83%
EUR/USD	1	-0.04%	1.52%	-0.81%
USD/JPY	156	-0.13%	-1.37%	-12.98%
USD/CNY	7	-0.09%	0.07%	-3.89%
USD/GPB	1	0.04%	-0.87%	-0.21%
USD/KRW	1,369	-0.07%	1.08%	-2.37%
USD/AUD	2	0.10%	-2.42%	1.49%
USD/CAD	1	-0.07%	0.83%	-1.52%

Source: Bloomberg. Shinhan Securities Vietnam

Vietnam Market Snapshot 10/05/2024

Market data

	Close	PE	Change	%1D	Trading volume (mn stocks)	Trading value (VND bn)
VNI INDEX	1,240.18	15.53	-4.52	-0.36	592	14,676
HNX INDEX	236.36	19.40	0.68	0.29	81	1,564



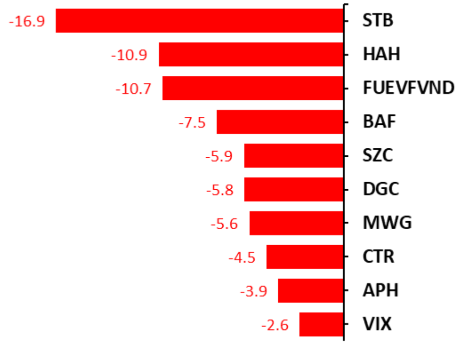
Money flow and sector rotation (VND bn)

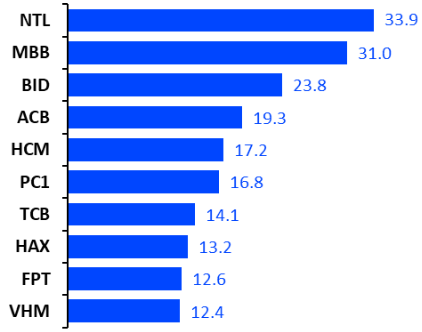
Sector	%1D	5/10/2024	5/9/2024	20-session Average
Technology	98.53	807	407	447
Oil & Gas	57.38	307	195	143
Personal & Household Goods	45.95	340	233	206
Insurance	26.73	21	16	20
Health Care	25.38	35	28	22
Automobiles & Parts	12.99	372	329	278
Real Estate	4.36	2,642	2,531	2,625
Media	4.14	28	27	7
Utilities	-1.5	168	171	152
Basic Resources	-6.0	963	1,025	842
Retail	-6.3	819	874	806
Financial Services	-11.7	1,807	2,045	1,855
Banks	-17.0	2,236	2,695	2,728
Industrial Goods & Services	-22.5	1,097	1,416	912
Food and Beverage	-26.4	1,355	1,842	1,090
Construction & Materials	-28.1	551	766	600
Travel & Leisure	-40.3	180	302	176
Chemicals	-43.5	847	1,500	627

Source: Bloomberg. Shinhan Securities Vietnam

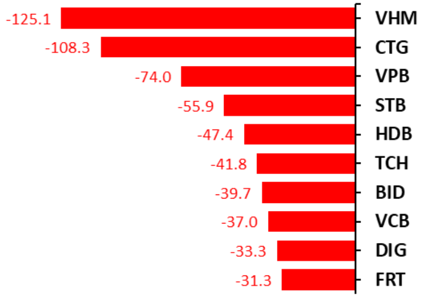
Vietnam Market Snapshot 10/05/2024

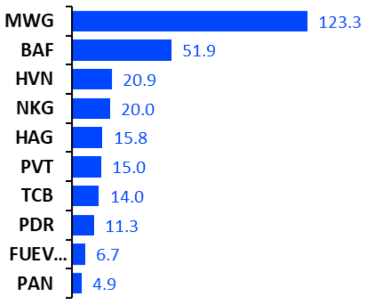
Top net buying & selling of proprietary trading (VND billion)





Top net buying & selling foreign investors (VND billion)





The net trading value of proprietary trading and investors by sector (VND billion)

Sub-sector	Proprietary trading (VND bn)	Foreign (VND bn)	Local Individual (VND bn)	Local Institutions (VND bn)
Real Estate	45	(222)	167	55
Basic Resources	16	(1)	5	(4)
Media	-	(0)	(1)	1
Industrial Goods & Services	7	30	111	(141)
Health care	(0)	(2)	1	1
Chemicals	(6)	(45)	59	(15)
Financial Services	20	(92)	39	53
Travel & Leisure	1	13	(28)	15
Banks	78	(425)	451	(25)
Construction & Materials	12	(44)	27	17
Food and Beverage	23	(26)	12	14
Retail	(5)	64	(98)	34
Utilities	11	(20)	18	2
Personal & Household Goods	4	(9)	5	4
Technology	17	(24)	43	(19)
Automobiles & Parts	13	(48)	35	13
Insurance	(0)	(7)	7	0
Oil & Gas	(2)	4	(3)	(1)
Total	**233**	**(854)**	**850**	**4**

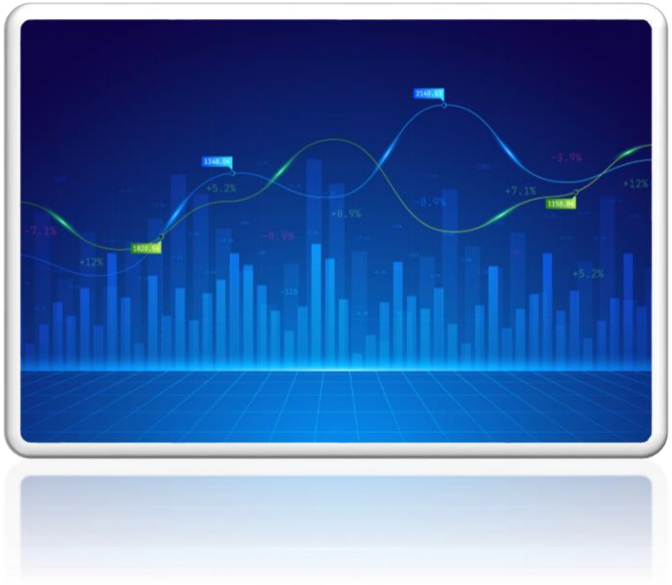
Source: Fiinpro. Shinhan Securities Vietnam

Breaking News

Macro

- Orders for wood and textile enterprises are gradually improving in the first four months of 2024. Many enterprises have signed contracts for the whole of the second quarter, and some even have orders for the third quarter of 2024. However, in fact, exporting enterprises in general are still not at ease when prices have not recovered much, the world is experiencing many fluctuations, and consumers in major markets are still tightening spending. In addition, enterprises also face a series of difficulties from the application of the EPR (Extended Producer Responsibility) and CBAM (Carbon Border Adjustment Mechanism) mechanisms.
- China will conduct the first issuance of ultra-long-term government bonds worth 1 trillion yuan (138 billion USD) as part of a program to sell such bonds, in an effort to stimulate the world's second-largest economy, on May 17th. This move comes as Beijing seeks to shore up government spending and crucial projects' investment for high-quality economic development.
- Thailand seeks new anti-dumping measures on Chinese steel. According to Nikkei Asia, Thailand's Commerce Ministry is investigating and considering expanding anti-dumping measures on hot-rolled steel coils from China, as the influx of Chinese steel into Thailand has caused domestic steel mills to struggle with overcapacity and low utilization rates.

Breaking News



Business news

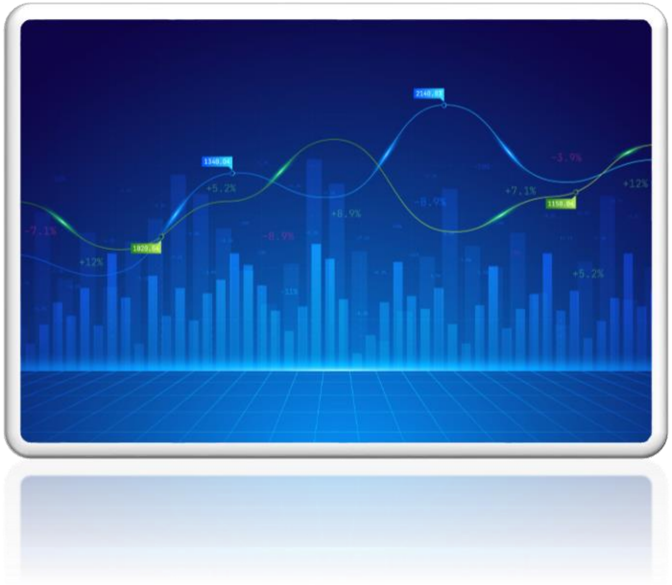
- **PTI:** Although insurance premium revenue decreased by 28%, net profit in the first quarter of 2024 of Post and Telecommunication Joint Stock Insurance Corporation (HNX: PTI) still increased by 67% over the same period last year, reaching more than VND68 billion, thanks to compensation costs. Insurance compensation and business management costs are significantly reduced.

- **SSI:** SSI wants to borrow a limit of 12.3 trillion VND at BID. In 2024, SSI plans consolidated revenue of 8,112 billion VND and pre-tax profit of 3,398 billion VND, up 13% and 19% respectively compared to the previous year. These are all record numbers in the business's operating history. At the end of the first quarter, the Company achieved 24% of the revenue target and 28% of the year's profit target.

- **MWG:** According to Mr. Trong, BHX is making big changes to serve customers more effectively and profitably in the near future. During this major shift, BHX will have to handle a number of arising issues affecting customer experience, expected to be completed in the next few months. The average revenue of each Bach Hoa Xanh store will be over 2 billion VND/month.

- **APH:** An Phat Holdings cooperates with SKC to build a factory to produce biodegradable materials in Vietnam. By cooperating with SKC Group to build a PBAT factory in Hai Phong, An Phat Holdings expects to contribute to diversifying the supply of PBAT raw materials globally, while realizing development green goals.

Breaking News



Business news

- **HNA:** In the first quarter of 2024, revenue of Hua Na Hydropower Joint Stock Company (Stock code: HNA) reached 104.7 billion VND, 98.08 billion VND lower than the same period in 2023 (reached 203.82 billion VND) due to water flow to the lake. only 49.3% of volume compared to the same period in 2023... causing profits to plummet. In 2024, HNA plans to produce commercial electricity output of 619.59 million kw.h (587.05 million kw.h in 2023). Total revenue is 744.07 billion VND billion (2023 will reach 762.78 billion VND); Profit after tax in 2024, HNA also targets to reach 179.95 billion VND (236.52 billion VND in 2023).

- **LTG:** Borrowing bank capital during a period of difficult capital markets and high bank interest rates, Loc Troi Joint Stock Company is trying to advance money for production, seeds... to farmers at zero interest rates. To overcome this, Loc Troi God said the plan would be to sell rice at a low price to quickly repay the debt. The Group also approved Chairman of the Board of Directors Huynh Van Thon to mortgage all shares held to secure loan obligations at the bank.

- **EIB:** Eximbank and Viettel signed a comprehensive cooperation agreement for the period 2024 - 2028. On May 10, 2024, at Viettel Group headquarters, Vietnam Export-Import Commercial Joint Stock Bank (Eximbank) and Military Industry and Telecommunications Group team (Viettel) organized the "Comprehensive Cooperation Agreement Signing Ceremony".

- **NVL:** Update on completing construction progress of the grand manhattan may 2024. Aiming to hand over homes to customers in the fourth quarter of 2024, The Grand Manhattan continues to maintain its construction pace. In addition to completing the structural construction of floors and topping out tower B1; Currently, the contractor is focusing on constructing wall columns on floors 30 - 31, constructing coffa and steel cable beams, and floors on the 31st floor of tower B2.

Technical view

Trend: Accumulate

- VNINDEX closed at 1,240.18 (-4.52 points, -0.36%) with liquidity decreasing slightly compared to the previous session. The market has 203 green codes and 233 red codes. Groups of stocks contributing to the market's decline include VCB, CTG, and BID. On the contrary, the group of stocks contributing to the market's increase are VPB, GVR and VJC. Foreign net selling is about - 852 billion.
- **Technical view**: In the trading session, the market continued to fluctuate in a narrow range as VN-Index traded around a strong resistance zone. Matching orders were lower than the 20-session average, showing some hesitation from both buyers and sellers. The market's upward momentum has shown signs of slowing down as the MACD index has decreased slightly in the last two consecutive sessions. VN-Index has recovered about 7% from the bottom of 1,170-1,180 and therefore the market is under short-term profit-taking pressure from investors. We think that VN-Index will likely trade in a range of 1,225-1,280 to absorb all the selling supply before returning to the uptrend.
- **Strategy**: Investors are pausing new purchases as the market has been heating up continuously. They are prioritizing holding their existing holdings and waiting to take profits when they reach their profit targets.

Scenarios:

- Positive (60%): The market will rebound and move towards the 1,225 – 1,28 0 area.
- Less positive (40%): The market corrected to the 1,200 area.

Recommended stocks

14/05/2024 9:00 AM

Unit: VND thousand

Today's watchlist

	Recommendation	Buying price (+/- 1%)	Target	Cut loss	Upside	Downside	Current price	Signals	Note

Trading portfolio

Ticker	Recommendation	Buying price	Target	Cut loss	Upside	Downside	Current price	T+	Profit/Loss	Date	Note
ACB	Hold	26.7	28.2	26.3	6%	-1%	27.7	15	3.75%	23/04/2024	
MSN	Hold	69.8	74.2	67.2	6%	-4%	70.8	6	1.43%	06/05/2024	
NLG	Hold	40.1	43.7	38.7	9%	-3%	41.6	6	3.62%	06/05/2024	
GVR	Hold	30.8	33.4	29.7	8%	-4%	32.0	5	3.90%	07/05/2024	
DGW	Hold	60.9	65.1	58.9	7%	-3%	59.6	5	-2.13%	07/05/2024	

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May 2024

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
28	29	30	1 _ US ISM Manufacturing PMI APR _ US JOLTs Job Openings MAR	2 US Fed Rate Decision	3 US Non Farm Payrolls APR US Unemployment Rate APR	4
5	6	7	8	9	10 Michigan Consumer Sentiment Prel MAY	11
12	13	14 US PPI MoM APR	15 _ US Core Inflation Rate MoM APR _ US Retail Sales MoM APR	16 VN30F1M Future contract maturity	17	18
19	20	21	22	23 FOMC Minutes	24 _ US Durable Goods Orders MoM APR _ ETF Ishare MSCI restructure portfolio	25
26	27	28	29 VN Macroeconomics in MAY	30 US GDP Growth Rate QoQ 2nd Est Q1	31 _ US Personal Income MoM APR _ US Personal Spending MoM APR	1

Q&A

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